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File

ANNUAL

**YORK TRUST** *and Savings Corporation*  
·1967

REPORT

# **YORK TRUST** *and Savings Corporation*

## **BOARD OF DIRECTORS**

**T. STEWART RIPLEY — CHAIRMAN OF THE BOARD AND PRESIDENT**

Executive Vice-President and General Manager  
The Metropolitan Trust Company, Toronto

**JOSEPH A. CHIAPPETTA — Benedetto & Chiappetta,**  
Barristers & Solicitors, Toronto

**ALEXANDER V. CRATE — Financial Executive,**  
Toronto

**JAN DUINKER — VICE-PRESIDENT**  
President, Netherlands Overseas Corporation  
Canada Limited, Toronto

**RUDOLF V. FRASTACKY — President,**  
The Metropolitan Trust Company, Toronto

**KASIMIR L. MARKON — President,**  
Lismar Holdings Limited, Toronto

**HARRY T. O'NEILL — Chairman of the Board,**  
The Metropolitan Trust Company, Toronto

**SENATOR THE HON. RICHARD J. STANBURY, Q.C.**  
Hollingworth & Stanbury, Barristers & Solicitors  
Toronto

## **OFFICERS**

**T. STEWART RIPLEY**  
Chairman of the Board and President

**JAN DUINKER**  
Vice-President

**NORMAN C. SAINT, B.Comm., C.A.**  
Secretary and Treasurer

**EDWIN J. CARTER, C.A.**  
Controller and Assistant Secretary

**EDWARD L. FINCH**  
Assistant General Manager

**A. JACK RUSSELL**  
Assistant General Manager

**GEOFFREY R. WILSON**  
Supervisor of Branches

## **HEAD OFFICE**

48 Yonge Street, Toronto 1, Canada

## **DOWNTOWN BRANCHES**

48 Yonge Street  
121 Richmond Street West

## **NEIGHBOURHOOD BRANCHES**

681 Danforth Avenue  
628 Sheppard Avenue West  
1171 St. Clair Avenue West  
43 Eglinton Avenue East  
852 Eglinton Avenue West

## **SHOPPING PLAZA BRANCHES**

Dixie Plaza,  
1250 South Service Road, Port Credit  
Towne & Countrye Square,  
6432 Yonge Street, Willowdale  
Thornccliffe Market Place,  
45 Overlea Boulevard

## **IN-LOBLAWS BRANCHES**

301 Moore Avenue  
1591 Wilson Avenue  
270 Wilson Avenue

## **YORK TRUST SUBSIDIARIES**

### **FORT GARRY TRUST COMPANY**

#### **HEAD OFFICE**

203 Portage Avenue, Winnipeg

#### **BRANCH OFFICES**

North Winnipeg Branch,  
600 Selkirk and McGregor  
St. James Branch,  
1861 Portage and Collegiate  
Portage and Main Branch,  
203 Portage Avenue  
Fort Garry Branch,  
1181 Pembina Highway

### **INTERNATIONAL SAVINGS AND MORTGAGE CORPORATION**

#### **EXECUTIVE OFFICE**

4861 Van Horne Avenue, Montreal

#### **BRANCH OFFICES**

Van Horne Shopping Centre,  
4861 Van Horne Avenue, Montreal  
Town of Mount Royal Shopping Centre,  
2324 Lucerne Road, T.M.R.

#### **AGENCIES**

Toronto and Winnipeg



## REPORT TO SHAREHOLDERS

The unsatisfactory earnings referred to in the President's report for 1966 continued during 1967 as reflected in the accompanying statement. The re-organization program initiated last year by the previous management secured certain reductions in operating costs, which, however, were not sufficient to offset the losses on operations.

On November 24, 1967, The Metropolitan Trust Company acquired control of your Company by the purchase of 411,929 shares in your Company from York Lambton Corporation Limited at 70¢ per share. The price of 70¢ per share is in excess of the value of the net assets at current market and of the estimated realizable values. At the same time a new Board of Directors was elected as set out in this Annual Report. The agreement with the vendor provided that the same price of 70¢ should be offered to all the remaining shareholders. Such an offer was made by The Metropolitan Trust Company on December 8, 1967, and as a result of this offer, a further 4,035 shares were acquired by The Metropolitan Trust Company.

It is also understood that it was the intention of The Metropolitan Trust Company, in purchasing control of your Company, to take steps to offer to merge the two companies as soon as possible.

The new management established a detailed cost-savings program consisting of two parts; the first one to be implemented prior to amalgamation, and the second one after amalgamation. The first part of this program has resulted in savings to date of about \$300,000 per annum; further substantial savings would be accomplished within six months after amalgamation.

As a part of the re-organization program, six of the nine Loblaw branches were

closed and the accounts transferred to five other York neighbourhood branches. The loss of deposits caused by this relocation of branches amounted to a net loss of about 2% of the total deposits.

The two subsidiaries of your Company, International Savings and Mortgage Corporation, and Fort Garry Trust Company were in a loss position in 1967. A similar re-organization to that instituted for your Company is under way in the two subsidiaries and will improve their net results.

The full implementation of the re-organization program and the realization of its economies are conditional upon a merger of the two companies. This matter is now under consideration and a recommendation will be submitted to you as soon as possible.

Your Board would like to take this opportunity to express its sincere appreciation of the loyalty of the staff of your Company during a difficult period.

Respectfully submitted,

T. S. RIPLEY,  
Chairman and President

Toronto, April 3, 1968.

# CONSOLIDATED I

AS AT DECEMBER

## ASSETS

### Cash, demand loans and bonds

Cash	\$ 3,061,863	
Demand loans secured by bonds, stocks, and other collateral	424,226	
Government of Canada, provincial and other bonds — at amortized cost (market value \$11,457,000)	<u>13,361,247</u>	\$ 16,847,336

### Other investments

Marketable stocks — at cost (market value \$222,000)	\$ 284,649	
Non-marketable stocks — at cost, less reserve	125,000	
Mortgages — at amortized cost	57,194,234	
Accounts receivable	<u>237,019</u>	57,840,902

### Other assets

Office premises and equipment — at cost, less accumulated depreciation	\$ 616,675	
Excess of cost of investment in subsidiaries over book value at dates of acquisition	<u>367,375</u>	984,050
Total capital and guaranteed funds assets		<u>\$ 75,672,288</u>

## ASSETS UNDER ADMINISTRATION

Cash, securities and other assets held for Estates, Trusts and Agencies	\$ 5,636,341
Capital and guaranteed funds assets	75,672,288
TOTAL	<u>\$ 81,308,629</u>



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# YORK TRUST AND SAVINGS CORPORATION AND SUBSIDIARIES

## BALANCE SHEET

March 31, 1967

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### LIABILITIES AND CAPITAL

#### Liabilities

##### Guaranteed funds:—

Savings and chequing deposits	\$ 20,838,447	
Deposit receipts	1,748,751	
Guaranteed investment certificates	32,262,959	
Special guaranteed funds (note 2)	<u>15,350,000</u>	\$ 70,200,157

Accounts payable		397,848
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Minority interest		<u>79,953</u>
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		<u>\$ 70,677,958</u>
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#### Capital (note 3)

##### Capital stock (note 4):—

Authorized: 1,000,000 shares of \$10 par  
value each

Issued: 666,437 fully paid shares	\$ 6,664,370	
Deficit	<u>1,670,040</u>	4,994,330

Total capital and guaranteed funds liabilities		<u><u>\$ 75,672,288</u></u>
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Attested: (Signed) T. Stewart Ripley, Chairman and President

(Signed) Joseph A. Chiapetta, Director

(Signed) Norman C. Saint, Secretary and Treasurer

# CONSOLIDATED STATEMENT OF INCOME AND EXPENSE AND DEFICIT FOR THE YEAR ENDED DECEMBER 31, 1967

Income:		
Income from investments	\$ 4,914,306	
Fees and commissions	<u>142,642</u>	\$ 5,056,948
Expense:		
Interest paid on guaranteed funds	\$ 3,967,492	
Salaries and staff benefits	1,063,028	
Office and administrative expense	<u>963,184</u>	5,993,704
		<u>\$ 936,756</u>
Minority interest		<u>2,916</u>
Operating loss for the year before special charge		\$ 933,840*
Special charge — Loss on sale of investments		<u>359,960</u>
Loss for the year after special charge		\$ 1,293,800
Deficit at beginning of year		<u>499,990</u>
		<u>\$ 1,793,790</u>
Less premium received on payment of balance owing on partly paid shares		<u>123,750</u>
Deficit at end of year		<u><u>\$ 1,670,040</u></u>

\*The operating loss for the year includes approximately \$100,000 of non-recurring expenses related to re-organization studies and proposals.

## AUDITORS' REPORT TO THE SHAREHOLDERS

We have examined the consolidated balance sheet of York Trust and Savings Corporation and subsidiaries as at December 31, 1967 and the consolidated statement of income and expense and deficit for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the consolidated financial position of the companies as at December 31, 1967 and the consolidated results of their operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, February 29, 1968

McDONALD, CURRIE & CO.  
Chartered Accountants



## YORK TRUST AND SAVINGS CORPORATION

## UNCONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 1967

## ASSETS

## Cash, demand loans and bonds

Cash	\$	1,565,055	
Demand loans secured by bonds, stocks, and other collateral		230,178	
Government of Canada, provincial and other bonds — at amortized cost (market value \$7,795,000)		<u>9,174,742</u>	\$ 10,969,975

## Other investments

Marketable stocks — at cost (market value \$58,000)	\$	110,857	
Non-marketable stocks — at cost, less reserve		125,000	
Mortgages — at amortized cost		<u>50,279,457</u>	
Investment in shares of subsidiary companies — at cost, less share of losses since date of acquisition (note 1)		3,178,310	
Accounts receivable		<u>177,024</u>	53,870,648

## Other assets

Office premises and equipment — at cost, less accumulated depreciation		<u>409,862</u>	
Total capital and guaranteed funds assets			<u>\$ 65,250,485</u>

## ASSETS UNDER ADMINISTRATION

Cash, securities and other assets held for Estates, Trusts and Agencies	\$	5,583,947	
Capital and guaranteed funds assets		<u>65,250,485</u>	
TOTAL			<u>\$ 70,834,432</u>

## LIABILITIES AND CAPITAL

## Liabilities

Guaranteed funds:—			
Savings and chequing deposits	\$	16,296,663	
Deposit receipts		1,308,368	
Guaranteed investment certificates		26,914,292	
Special guaranteed funds (note 2)		<u>15,350,000</u>	\$ 59,869,323
Accounts payable			<u>386,832</u>
			\$ 60,256,155

## Capital (note 3)

## Capital stock (note 4):—

Authorized: 1,000,000 shares of \$10 par value each			
Issued: 666,437 fully paid shares	\$	6,664,370	
Deficit		<u>1,670,040</u>	4,994,330

Total capital and guaranteed funds liabilities			<u>\$ 65,250,485</u>
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Attested: (Signed) T. Stewart Ripley, Chairman and President

(Signed) Joseph A. Chiapetta, Director

(Signed) Norman C. Saint, Secretary and Treasurer

## AUDITORS' REPORT

We have examined the unconsolidated balance sheet of York Trust and Savings Corporation as at December 31, 1967 and the unconsolidated statement of income and expense and deficit for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the unconsolidated financial position of the company as at December 31, 1967 and the unconsolidated results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

McDONALD, CURRIE & CO.  
Chartered Accountants

Toronto, February 29, 1968



# YORK TRUST AND SAVINGS CORPORATION

## UNCONSOLIDATED STATEMENT OF INCOME AND EXPENSE AND DEFICIT FOR THE YEAR ENDED DECEMBER 31, 1967

### Income:

Income from investments	\$ 4,162,796	
Fees and commissions	120,881	\$ 4,283,677

### Expense:

Interest paid on guaranteed funds	\$ 3,535,121	
Salaries and staff benefits	877,221	
Office and administrative expense	712,522	5,124,864

Operating loss for the year before share of losses of subsidiary companies

\$ 841,187\*

Share of losses of subsidiary companies (note 1)

92,653

Operating loss for the year before special charge

\$ 933,840

Special charge — Loss on sale of investments

359,960

Loss for the year after special charge

\$ 1,293,800

Deficit at beginning of year

499,990

\$ 1,793,790

Less premium received on payment of balance owing on partly paid shares

123,750

Deficit at end of year

\$ 1,670,040

\*The operating loss for the year includes approximately \$100,000 of non-recurring expenses related to re-organization studies and proposals.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 1967

### 1. Subsidiary companies

This investment was made in December, 1966 pursuant to the provisions of The Loan and Trust Corporations Act and is made up as follows:

	% owned	Cost \$	Share of losses since date of acquisition \$	Adjusted cost \$
International Savings and Mortgage Corporation	97.5	1,757,869	27,092	1,730,777
Fort Garry Trust Company	96.7	1,513,094	65,561	1,447,533
		<u>3,270,963</u>	<u>92,653</u>	<u>3,178,310</u>

Under the terms of an existing agreement, York Lambton Corporation Limited has an option to purchase on or before May 24, 1968 the Corporation's investment in shares of Fort Garry Trust Company for \$700,000, the estimated realizable value of its net assets.

### 2. Special guaranteed funds

These funds are secured by a pledge of N.H.A. mortgages with a principal value of approximately \$17,000,000 and bear interest at 6½% per annum.

Monthly principal repayments are to be made during the period the funds are held, equal to all principal amounts received on the pledged N.H.A. mortgages. The balance of the funds is to be repaid on December 1, 1969 unless a merger of the Corporation and The Metropolitan Trust Company has occurred, in which case the remaining balance is to be repaid on December 1, 1977.

### 3. Capital

Capital reflects the book value of assets and not their current market or estimated realizable values.

### 4. Capital Stock

Changes in capital stock during the year were as follows:

	Fully paid shares		10% paid shares	
	Number	\$	Number	\$
Balance — at beginning of year	551,118	5,511,180	27,500	27,500
Payment of amount owing on 10% paid shares	27,500	275,000	(27,500)	(27,500)
Issued for capital advanced by a shareholder in 1966	85,000	850,000	—	—
Issued in exchange for shares of —				
Fort Garry Trust Company	2,285	22,850	—	—
International Savings and Mortgage Corporation	534	5,340	—	—
Balance — at end of year	<u>666,437</u>	<u>6,664,370</u>	<u>—</u>	<u>—</u>



# **YORK TRUST** *and Savings Corporation*



## **SERVICES**

INCENTIVE SAVINGS ACCOUNTS

SAVINGS ACCOUNTS

CHEQUING ACCOUNTS

DEPOSIT-BY-MAIL

GUARANTEED INVESTMENT CERTIFICATES

TERM DEPOSITS

INVESTMENT FUNDS

MORTGAGE LOANS

PROPERTY MANAGEMENT

REGISTERED RETIREMENT SAVINGS PLANS

ESTATES, TRUSTS, AND AGENCIES

CORPORATE TRUST SERVICES